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Taiwan

Grain and Feed

Sorghum Update

2004

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Report Highlights:

Taiwan produces 17,000 metric tons of sorghum and imports 40,000 metric tons for feed and brewing use. Sorghum primarily comes from China, Thailand and Australia. U.S. exports to Taiwan have only totaled 918 metric tons in the past five years. Future changes in imports will depend on price movements of sorghum relative to corn.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei [TW1]
[TW]

Taiwan's annual sorghum harvest is 17,000 mt from 4,000 hectares of land. This production is heavily subsidized by a government purchase price of NT\$14 or \$418/mt (\$1 = NT\$33.44). This is almost three times higher than the most recent CIF price of \$158/mt. Since domestically grown sorghum is not price competitive, domestic production is expected to either remain unchanged or to be gradually phased out.

In most years, Taiwan imports 40,000 mt of sorghum annually for feed and brewing use primarily from China, Thailand and Australia. According to importers, the use of sorghum for feed use is primarily price-driven, while for brewing it depends on variety and quality specifications. Since shipments to Taiwan are small, sorghum enters by containerized shipments (both bagged and unbagged) rather than in bulk. These conditions have made U.S. sorghum uncompetitive in the Taiwan market, especially in the brewing sector which prefers non-U.S. origins. As a result, the United States has only supplied 998 mt to Taiwan over the last five years.

Future changes in imports will primarily depend on relative corn and sorghum prices. Changes in these prices will result in some substitution between these products. High corn prices stimulated increased imports in 2002/03 and imports for 2003/04 are forecast at 65,000 mt with a minimum of 57,000 mt used for feed and 25,000 mt used for FSI. Demand for use in brewing is anticipated to rise in the future since the consumption of sorghum liquor is becoming increasingly fashionable on Taiwan.

Sorghum Production, Imports and Consumption, 1998 - 2003

Year	Production	Imports	Feed	FSI	Ending Stocks
1998/99	33	37	46	27	7
1999/00	26	41	39	27	8
2000/01	21	38	39	27	1
2001/02	17	41	35	24	0
2002/03	17	63	56	21	3
2003/04 *	17	65	57	25	3

* Forecast